

BEFORE THE DEPARTMENT OF COMMERCE
OF THE STATE OF MONTANA

In the matter of the proposed)	NOTICE OF PUBLIC HEARING ON
amendment of ARM 8.99.901,)	PROPOSED AMENDMENT
8.99.903, 8.99.904, 8.99.905,)	
8.99.907, 8.99.908, 8.99.910,)	
8.99.911, 8.99.912, and 8.99.914)	
pertaining to the award of grants and)	
loans under the Big Sky Economic)	
Development Program)	

TO: All Concerned Persons

1. On January 6, 2009, at 1:30 p.m, the Department of Commerce will hold a public hearing in Room 228 of the Park Avenue Building, 301 South Park Avenue, at Helena, Montana, to consider the proposed amendment of the above-stated rules.

2. The Department of Commerce will make reasonable accommodations for persons with disabilities who wish to participate in this rulemaking process or need an alternative accessible format of this notice. If you require an accommodation, contact the department no later than 5:00 p.m., December 30, 2008, to advise us of the nature of the accommodation that you need. Please contact Angela Nelson, Business Resources Division, Department of Commerce, 301 South Park Avenue, P.O. Box 200505, Helena, Montana 59620-0505; telephone (406) 841-2792; TDD (406) 841-2702; fax (406) 841-2731; or e-mail anelson@mt.gov.

3. The rules as proposed to be amended provide as follows, new matter underlined, deleted matter interlined:

8.99.901 DEFINITIONS (1) through (9) remain the same.

(10) "Eligible economic development organization" means an economic development organization that is located in a county that is not part of a certified regional development corporation region, and which meets the eligibility requirements established by the department and published by it in the Big Sky Economic Development Trust Fund Application Guidelines dated ~~2008~~ 2009.

(11) and (12) remain the same.

(13) "High-poverty county" means a county in this state in which 14% or more of people of all ages are in poverty as determined by the U.S. Bureau of the Census estimates for the most current year available.

(13) and (14) remain the same, but are renumbered (14) and (15).

~~(15) "Montana Main Street Program" means the state program established in 90-1-151, MCA, and administered by the Department of Commerce that coordinates technical assistance and funding resources for revitalizing and enhancing the economic viability of historic and traditional downtown districts in communities across the state.~~

(16) through (18) remain the same.

AUTH: ~~90-1-204~~ 90-1-201, MCA

IMP: ~~90-1-204~~ 90-1-201, MCA

8.99.903 PURPOSE OF BIG SKY ECONOMIC DEVELOPMENT PROGRAM

(1) Economic development is a public purpose and the purpose of the program is to assist economic development activities in Montana that:

(a) through (d) remain the same.

(e) retain or expand existing businesses; and

(f) provide a better life for future generations through greater economic growth and prosperity in Montana; and

(g) encourage workforce development, including workforce training and job creation, in high-poverty counties by providing targeted assistance.

(2) remains the same.

AUTH: ~~90-1-204~~ 90-1-202, MCA

IMP: ~~90-1-204~~ 90-1-202, MCA

8.99.904 INCORPORATION BY REFERENCE OF RULES GOVERNING SUBMISSION AND REVIEW OF APPLICATIONS

(1) The department adopts and incorporates by reference the Big Sky Economic Development Trust Fund Application Guidelines dated ~~2008~~ 2009 as rules governing the submission and review of applications under the program. A copy of the guidelines may be obtained from the Department of Commerce, P.O. Box 200505, Helena, MT 59620-0505.

(2) remains the same.

AUTH: 90-1-204, MCA

IMP: 90-1-204, MCA

8.99.905 DISTRIBUTION OF FUNDS FROM THE BIG SKY ECONOMIC DEVELOPMENT ACCOUNT

(1) Of the funds that are deposited in the account that are not used for administrative expenses:

(a) remains the same.

(b) 25% must be distributed to certified regional development corporations and eligible economic development organizations for economic development planning ~~or capacity building~~ activities.

AUTH: ~~90-1-204~~ 90-1-205, MCA

IMP: ~~90-1-204~~ 90-1-205, MCA

8.99.907 FORM OF FINANCIAL ASSISTANCE

(1) remains the same.

(2) Financial assistance provided to certified regional development corporations and other eligible economic development organizations from the account shall be in the form of negotiated grants for economic development planning ~~or capacity building~~ activities.

AUTH: ~~90-1-204~~ 90-1-203, MCA

IMP: ~~90-1-204~~ 90-1-203, MCA

8.99.908 MAXIMUM AWARD AMOUNT (1) Maximum award amounts to local governments may not exceed \$5,000 for each eligible job to be created by an eligible business, except that funding for a project in a high-poverty county may not exceed \$7,500 for each eligible job.

(2) In appropriate circumstances and with supporting documentation, the department may establish award amounts to local governments that are less than \$5,000 or \$7,500 in a high-poverty county for each new eligible job to be created by an eligible business.

(3) remains the same.

(4) Maximum award amounts to certified regional development corporations and other eligible economic development organizations shall be established and published by the department in the Big Sky Economic Development Trust Fund Application Guidelines dated ~~2008~~ 2009.

AUTH: 90-1-204, MCA

IMP: 90-1-204, MCA

8.99.910 AWARD MATCH REQUIREMENT (1) Local governments shall provide and document equal matching funds for all awards allocated under the program, except that the department may allow a 50% to 100% match requirement for projects located in a high-poverty county.

(2) remains the same.

(3) Certified regional development corporations and other eligible economic development organizations ~~are not~~ may be required to document or provide matching funds for awards allocated under the program.

AUTH: 90-1-204, MCA

IMP: 90-1-204, MCA

8.99.911 ELIGIBLE USES OF AWARDS (1) remains the same.

(2) Uses of awards to certified regional development corporations and other eligible economic development organizations shall include, but are not limited to, the following economic development planning ~~or capacity building~~ activities:

(a) through (c) remain the same.

(d) creation and maintenance of baseline community profiles; and

(e) matching funds for federal funds, including but not limited to brownfields funds and natural resource damage funds; ~~and~~

~~(f) main street program activities.~~

AUTH: 90-1-204, MCA

IMP: 90-1-204, MCA

8.99.912 ELIGIBLE BUSINESS (1) Basic sector businesses and other businesses identified by the department in the Big Sky Economic Development Trust Fund Application Guidelines dated ~~2008~~ 2009 are eligible for financial assistance

from funds that are awarded to local governments under this program.

AUTH: 90-1-204, MCA

IMP: 90-1-204, MCA

8.99.914 AWARD DECISION CRITERIA (1) through (3)(c) remain the same.

(d) the economic development planning ~~or capacity building~~ activity as a new "best practice" in economic development at the local, regional, state, or national level.

AUTH: 90-1-204, MCA

IMP: 90-1-204, MCA

REASON: 17-5-703 and 90-1-201, MCA, et seq. created the Big Sky Economic Development Fund and assigned the administration of the fund to the Department of Commerce. The department is proposing these amendments to reflect the updated 2009 Guidelines and the legislative changes to the program contained in House Bill 286 passed by the 2007 Montana Legislature. The Big Sky Economic Fund program is an economic development program that aides in the development of good-paying jobs for Montana residents and promotes long-term, stable economic growth in Montana. Amendments are also reasonably necessary because the Legislature mandated that the department adopt rules to implement the Big Sky Economic Development Program in 90-1-204, MCA.

4. Concerned persons may submit their data, views, or arguments concerning the proposed action either orally or in writing at the hearing. Written data, views, or arguments may also be submitted to: Angela Nelson, Business Resources Division, Department of Commerce, 301 South Park Avenue, P.O. Box 200505, Helena, Montana 59620-0505; telephone (406) 841-2792; fax (406) 841-2731; or e-mail anelson@mt.gov, and must be received no later than 5:00 p.m., January 14, 2009.

5. Kelly A. Casillas, Legal Counsel, Department of Commerce, has been designated to preside over and conduct this hearing.

6. The department maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by this agency. Persons who wish to have their name added to the list shall make a written request that includes the name, e-mail, and mailing address of the person to receive notices and specifies for which program the person wishes to receive notices. Notices will be sent by e-mail unless a mailing preference is noted in the request. Such written request may be mailed or delivered to the Department of Commerce, 301 South Park Avenue, P.O. Box 200501, Helena, Montana 59620-0501, by fax to (406) 841-2701, by e-mail to lgregg@mt.gov, or may be made by completing a request form at any rules hearing held by the department.

7. An electronic copy of this Proposal Notice is available through the Secretary of State's web site at <http://sos.mt.gov/ARM/Register>. The Secretary of State strives to make the electronic copy of the Notice conform to the official version of the Notice, as printed in the Montana Administrative Register, but advises all concerned persons that in the event of a discrepancy between the official printed text of the Notice and the electronic version of the Notice, only the official printed text will be considered. In addition, although the Secretary of State works to keep its web site accessible at all times, concerned persons should be aware that the web site may be unavailable during some periods, due to system maintenance or technical problems.

8. The bill sponsor notice requirements of 2-4-302, MCA, do not apply.

/s/ KELLY A. CASILLAS
KELLY A. CASILLAS
Rule Reviewer

/s/ ANTHONY J. PREITE
ANTHONY J. PREITE
Director
Department of Commerce

Certified to the Secretary of State November 17, 2008.